APPENDIX A

62 Stat. 931, 28 U. S. C. Sec. 1338(b):

The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trademark laws.

TRADEMARK ACT OF 1946

Public Law 489, 79th Congress, Chapter 540, approved July 5, 1946; 60 Stat. 427

Sec. 2. Trademarks registrable on the principal register

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . . —

(e) consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them, or, (2) when applied to the goods of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, except as indications of regional origin may be registrable under section 4 hereof, or (3) is primarily merely a surname; . . . (15 U. S. C. 1052).

Sec. 7 (b). Certificate of registration on the principal register. Issuance and form—Prima facie evidence

A certificate of registration of a mark upon the principal register provided by this Act shall be prima facie evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to use the

mark in commerce in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated therein (15 U. S. C. 1057b).

Sec. 23. The Supplemental Register

Marks registrable on. In addition to the principal register, the Commissioner shall keep a continuation of the register provided in paragraph (b) of section 1 of the Act of March 19, 1920, entitled "An Act to give effect to certain provisions of the convention for the protection of trademarks and commercial names, made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other purposes", to be called the supplemental register. All marks capable of distinguishing applicant's goods or services and not registrable on the principal register herein provided, except those declared to be unregistrable under paragraphs (a), (b), (c), and (d) of section 2 of this Act, which have been in lawful use in commerce by the proprietor thereof, upon or in connection with any goods or services for the year preceding the filing of the application may be registered on the supplemental register upon the payment of the prescribed fee and compliance with the provisions of section 1 so far as they are applicable. . . . (15 U. S. C. 1091).

Sec. 26. Supplemental Register—Provisions of Act applicable

The provisions of this Act shall govern so far as applicable applications for registration and registrations on the supplemental register as well as those on the principal register, but applications for and registrations on the supplemental register shall not be subject to or receive the advantages of section 2 (e), 2 (f), 7 (b), 12(a), 13 to 18, inclusive, 22, 33, and 42 of this Act (15 U. S. C. 1094).

Sec. 33 (a). Remedies—Certificate of registration on Principal Register—Prima facie evidence of exclusive right to use mark

Any certificate of registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this Act and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the certificate subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered (15 U. S. C. 1115a).

APPENDIX B

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 12,309

PERFECTFORM CORPORATION,

Appellant,

—v.—

PERFECT BRASSIERE CO., INC.,

Appellee.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Argued April 14, 1958
Before GOODRICH, MCLAUGHLIN and STALEY, *Circuit Judges.*

Opinion of the Court

(Filed June 11, 1958)

By MCLAUGHLIN, *Circuit Judge.*

Appellant sued for Lanham Act (15 U.S.C. §1051 et seq.) trade-mark infringement and for unfair competition under 28 U.S.C. 1338. The district court dismissed the complaint.

It is uncontradicted that the trade-mark PERFECTFORM was adopted in 1944 by appellant in its business of manu-

facturing ladies slips, panties, pajamas, nightgowns and bed jackets. On May 18, 1948, registration of the trade-mark (#500,444) in the Supplemental Register, under Section 1091 of the Lanham Act, was allowed appellant. The evidence is that after the adoption of the trade-mark in 1944 and starting with the year 1945, plaintiff advertised its mark regularly. Its general advertising expense steadily increased from then on[1] through 1952 in which year it reached a peak of $11,461.00. Appellant's sales of PERFECT-FORM slips and petticoats showed corresponding increases through 1951; after that, a marked decline. As testified to, these in dollars were: "1945, ninety-nine thousand; 1946, a hundred and forty-nine thousand; 1947, four hundred and forty-two thousand; 1948, seven hundred and eighteen thousand; 1949, seven hundred and eight thousand; 1950, seven hundred and sixty-five thousand; 1951; one million sixty-six thousand; 1952, one million twenty-three thousand; 1953, six hundred and five thousand; 1954, five hundred and forty-five thousand; 1955, five hundred and thirty-two thousand; 1956, four hundred and twelve thousand."

It was in 1951 that the defendant-appellee, a brassiere maker, took the trade-mark PERFECT FORM using block type and with the name in a straight line. It applied for trade-mark registration of that name in that style to the trade-mark registration of that name in that style to the Patent Office; October 29, 1953. The Patent Office denied the application because the mark was identical with plaintiff's and because defendant's goods and plaintiff's "are closely related it is believed that confusion in trade would result if applicant's mark were allowed over registrant's marks."

A renewal of defendant's application for the trade-mark was filed with the Patent Office April 12, 1955. At that time defendant urged that its use of the name PERFECT

[1] With the exception of 1951 when the figure was $8865, a decline of $1664, from the previous year.

FORM for brassieres was so substantially different from PERFECTFORM CORPORATION's use that confusion would be unlikely. It said further, "The mark 'Perfect Form' is a combination of the dominant portion of appellant's corporate name and the descriptive term 'form'. Such combination is registrable under the recent decision of Assistant Commissioner Robert in Ex Parte The Celotex Corp., 103 U.S.P.Q. 141. * * *"

The Patent Office on July 29, 1955, again denied the application, holding:

> "Applicant's mark is 'Perfect Form', applied to brassieres. Registrant's marks are both 'Perfectform', applied to ladies' slips, panties, pajamas, nightgowns and bed jackets. The marks are identical and the goods are closely related. Applicant's brassieres and registrant's lingerie are articles for women and are often purchased in the same shops. Slips are often made with brassieres in them.
>
> "It is believed that concurrent use in the same geographical areas of the marks involved herein would be reasonably likely to cause confusion in trade. Registration is, therefore, refused in view of registration numbers 419,893 and 500,444.
>
> "The refusal is made final."

The original appellee corporation was organized April 5, 1932. That was succeeded in 1936 by a New Jersey corporation of the same name. The name Perfect Brassiere Co., Inc. has been used since 1932; first by the original company and since then by defendant. According to its principal witness, defendant's business from the beginning has been to sell brassieres "Mostly to variety stores, such as Woolworth's, McCrory's, and so forth. All over the country." It designated its brassieres as "Perfect Bra" and also used the word "Perfect" standing alone.

It is agreed that in approximately, July of 1951, the defendant started its use of the mark PERFECT FORM. And it was testified to by the same principal witness, Abraham Rubinstein, the directing head of the defendant company, that in 1954 after he had been advised by his lawyer of the first rejection of Perfect Brassiere Company's application for the trade-mark PERFECT FORM, he changed the mark to one word, PERFECTFORM and from straight letters to script slanted letters. The witness said that in 1953 he had been asked by plaintiff to stop using the name PERFECT FORM.

Testimony by the president of the PERFECTFORM CORPORATION was to the effect that the tremendous loss in its sales from 1952 through 1956 was because of "the use of my label and my name on a cheap garment". He explained that "we sell a better product, * * * it is at a higher price range, and it is not salable to the basement departments." He stated the retail price of PERFECTFORM garments ran from $2.98 to $8.95 which indicated, according to the trade, that they were mostly expensive slips. He characterized the defendant's 69 cent brassieres as low priced.

There was evidence on behalf of the plaintiff that its sales to Macy's Department Store, New York City, dropped badly in 1955 after Woolworth's in 1954 had opened a large store across the street in which defendant's brassieres were featured. Appellant's president stated that Sliperfection slips of his company, unlike its PERFECTFORM slips showed solid sales increases during the years after the defendant started its use of the PERFECT FORM and PERFECTFORM marks. Speaking of the increases in Sliperfection sales he said: "Well, in 1951 we had an increase of sales over 1950 of $257,000, in 1952 four hundred thousand over 1950, five hundred thousand in 1953, in 1954 four hundred and ninety thousand over 1950, in 1955 seven hundred thousand over 1950, and in 1956 six hundred and eighty-five thousand over 1950. By company policy, all I can say is, we do over a million dollars of volume." Q. "In what?" A. "In the

Sliperfection slips." Q. "Then is it correct to say that the Sliperfection business rose while the PERFECTFORM business fell?" A. "Yes, sir."

Perfect Brassiere Co. in addition to using PERFECT FORM and PERFECTFORM as a trade-mark on occasion marketed brassieres as made by PERFECT FORM. One exhibit in evidence, a photograph of a defendant display, reads "POCK-ETTE BRA BY PERFECT FORM". A specimen of defendant's advertising attached to the complaint features the word PERFECTFORM in script and toward the bottom of the advertisement, appears the language "Look for the PERFECTFORM label."

Defense witness Rubenstein on cross-examination said that during the critical period sales of defendant's brassiere called Wings remained substantially the same while sales of its PERFECTFORM product "nearer tripled than doubled". The same witness stated that the Wings product was sold by the concern "to apparel chains and department stores" with a price range "from one dollar up to two-fifty". The PERFECT and later the PERFECTFORM garments on the other hand were sold "To the variety stores" at prices from 1951 on of "69 cents, a dollar, a dollar forty-nine".

There is some evidence of confusion in the record. The editor of a fashion magazine stated that in accordance with the magazine's practice of sending advertisers a copy of their advertisements in the publication, it actually sent a copy of defendant's advertisement to plaintiff by mistake. The trial judge himself remarked as to this witness, "Well, obviously she was confused." Plaintiff's exhibit P-13 is a letter from what the letterhead characterizes as "America's foremost item merchandise service" to the plaintiff addressed as "Perfect Form Corp." and dated February 28, 1957. It incorrectly speaks of plaintiff's line of brassieres and "that they have been doing quite well". It seeks to help in the increase of such sales.

The complaint in this cause was filed July 18, 1955. The suit was tried April 2 and 3, 1957. On May 10, 1957, Findings of Fact, Conclusions of Law and Final Judgment dismissing the complaint, with costs to the defendant, were filed.

The district judge found that the above referred to trade-mark registration had been allowed plaintiff May 18, 1948[2] and that under it use of the mark beginning 1944 was claimed; that defendant within six years of the filing of the complaint has been selling brassieres in interstate commerce "with the use of the accused mark 'Perfect Form' displayed as one word and as two words in various forms of display, including script display."

The court also found "* * * defendant's addition of 'Form' in the accused mark to its prior use of 'Perfect' for brassieres beginning in 1932, could not and did not and was not likely to cause confusion or mistake between plaintiff and defendant, or to deceive ultimate purchasers as to the source of origin of defendant's brassieres, or to cause ultimate purchasers to believe that defendant's brassieres were garments of the plaintiff." What defendant did is stated as : "In changing to the accused mark, defendant merely continued the prior business and good will which defendant's predecessor and defendant established for brassieres beginning in 1932." The court states further as a fact finding: "Due to the old and common use of 'Form' in brassiere marks and the common display of 'Form' marks in script, the dominant feature of the accused mark is 'Perfect', as to which defendant has priority in the brassiere trade, beginning in 1932. Ultimate customers who have bought and who will buy defendant's brassieres for use have identified said brassieres and will identify them by 'Perfect', as to which defendant has priority."

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[2] The court further found that plaintiff claimed ownership of an earlier Registration #419,893 for the same mark which was granted March 5, 1946 under the Trade-Mark Act of March 19, 1920.

There were other findings that "defendant has not violated any rights of plaintiff"; that "Defendant has not made any unlawful gains, profits or advantages by its use of the accused mark"; that "The use of the accused mark has caused no confusion in the trade and the purchasing public has not been misled into believing that the plaintiff is the source of the origin of defendant's brassieres"; that "Defendant's brassieres are low or modestly priced and sold almost exclusively in variety stores or what was called 5 & 10 cent stores. Plaintiff's products are exclusive or prestige items and sold in better department stores, specialty shops and lingerie shops."

Among the conclusions of law it was held that "If plaintiff's registered mark has any status as a trade-mark or trade-name, it is a very weak mark"; "The scope of plaintiff's registration and good will must be and is restricted to the goods which plaintiff has sold, which excludes brassieres". It was also held that:

> "By reason of defendant's prior use of 'perfect', defendant had the right at any time, to add the featureless and descriptive word 'Form' which has been and is common to the brassiere trade, and to use the common and featureless script display."

With reference to the denial by the Patent Office of defendant's applications to register the accused mark, a conclusion of law states:

> "Under 15 U. S. C. A. 1094, plaintiff's Supplemental Register certificate is not governed by 15 U. S. C. A. 1066, which provides for an interference in the U. S. Patent Office between a registration and an application for registration in the U. S. Patent Office in certain cases.
>
> "Hence the refusal of the U. S. Patent Office to register the accused mark to defendant has no effect in

this litigation, because defendant was debarred by the current Lanham Trade-Mark Act from demanding an interference, in order to establish defendant's twelve years' priority in 'Perfect' for brassieres."

In his Conclusions of Law the trial judge decided that the plaintiff's claim of unfair competition is governed wholly by federal law. Actually no problem arises in this appeal with respect to the law controlling the particular unfair competition charged. At the very least in this circuit we agree with the New Jersey decisions that likelihood of confusion is the test and that secondary meaning for plaintiff's mark need not be established in order for plaintiff to make out a cause of action. Campbell Soup Co. v. Armour, 175 F.2d 795, 796-797 (3 Cir. 1949); Vaughan Co. v. Greene Corporation, 202 F.2d 172, 174 n.6 (3 Cir. 1953); Westmore v. Denny, 151 F.2d 261, 265 (3 Cir. 1945); Lorraine Co. v. Lorraine Mfg. Co., 101 F. Supp. 967, 969 (D.C.N.J. 1952).

At least since the opinion of Vice Chancellor Backes in Cape May Yacht Club v. Cape May Yacht and Country Club, 81 N.J. Eq. 454, 456 (Ct. Ch. 1913) New Jersey has held that in the present type of situation "All that is required to bring into activity the injunctive powers of the court, is to inform it that the complainant's trade is in danger of harm from the use of its name, by the defendant, in such a way, as is calculated to deceive the public into the belief that the defendant's affairs, in the respect complained of, are those of the complainant." And see American Assn. v. Automobile Assn. of N.J., 142 N.J. Eq. 673 (E. & A. 1948); Squeezit Corporation v. Plastic Dispensers, Inc., 31 N.J. Super. 217 (1954); Lorraine Co. v. Lorraine Mfg. Co., supra.

That the use by defendant of practically a replica of plaintiff's trade-mark was deliberate is conclusive from the facts of its receipt in 1953 of PERFECTFORM's protest and of

the denial in 1954 by the Patent Office of its application for a block, separated design of the name on the specific ground that it infringed upon plaintiff registrant's mark. The fact that the mark is basically descriptive would hardly excuse fraudulent appropriation of it. Shaver v. Heller & Merz Co., 108 F. 821, 827 (8 Cir. 1901). And "A fraudulent intent need not be shown to invoke the aid of the court. * * * The test is: Is the resemblance calculated to mislead or confuse, to the complainant's damage?" Cape May Yacht Club v. Cape May Yacht and Country Club, supra, p. 458. We held in Cridlebaugh v. Rundolph, 131 F.2d 795 (3 Cir. 1942), that "The test is whether the public is likely to be deceived by the alleged infringing name". In so doing we followed the New Jersey rule as outlined in Rosenthal v. Blatt, 80 N.J. Eq. 90, 93 (1912). And see Lanham Act, 15 U.S.C. § 1114(1). Direct competition need not necessarily exist between the parties. 31 West 51st Street Corporation v. Roland, 139 N.J. Eq. 156 (1946). Under New Jersey law where the trade name of another concern is adopted, apparently to take advantage of that concern's good will, equity will grant relief though the wronged plaintiff does not have an exclusive property right in that name. Weiss v. The Stork and Gift Shop, 137 N.J. Eq. 475 (1946), and cases there cited. The Federal principle is similar. In Rosenberg Bros. & Co. v. Elliot, 7 F.2d 962 (3 Cir. 1925), the trade-mark of a manufacturer of coats, vests and pants was held infringed by defendant's use thereof on hats and caps. We said p. 967, "Although there is no testimony that a purchaser was so deceived, we are of the opinion that the advertisements tend to readily deceive the public, * * *. As we have said, the vendors of the hats and caps on sale in the respondent's store had their own trade-mark 'Park'. They seemed satisfied with it until the complainant's mark became known nationally. We find nothing which justified them in enlarging their trade-mark to embrace the precise

words of the complainant's trade-mark and thereby to reap the advantage of the wide publicity which the complainant had earned by the expenditure of large sums of money in advertising. It is possible unfairly to obtain such advantage by the use of similar words and get up in advertising matter even though the wares of the contesting parties do not actually come into competition. Against a wrong of this kind courts of equity will grant relief."

In Youthform v. R. H. Macy & Co., 153 F. Supp. 87 (D.C. Ga. 1957), a small manufacturer of brassieres, having no more than minor damage, waiting ten years before commencing suit and with no Patent Office ruling in its favor, was allowed an injunction against a slip manufacturer and a department store selling the slips from using plaintiff's label containing the words "Youthform" written in script. The facts in reverse are quite similar to those at bar but much weaker. Because of the laches there existing no accounting was ordered. The decision is illuminative as to the very real association between the two products. The court stated in that opinion, p. 92:

> "As stated above, plaintiff and defendant are not competitors, as plaintiff primarily sells brassieres and defendant primarily sells slips, etc. However, as shown by many of the advertisements placed in evidence, both brassieres and slips show the female form clad in both a brassiere and a slip, which connects the two together in the public mind. Furthermore, each garment is sold largely in the same stores, though frequently at different counters.
>
> • • •
>
> "There is therefore, the probability of confusion between defendant's slips sold under the tradename 'Miss Youth Form' or 'Youth Form', especially under the one word in script 'Youthform' as to plaintiff's brassieres under plaintiff's trademark."

The record contains as exhibits a bra-top and slip made by the same manufacturer and carrying like labels for both. Defendant's witness Rubenstein agreed that bra-top slips, a combination of brassieres and slips into one garment, have been on the market for many years. There is evidence of at least four manufacturers putting out bra-top slips and that since 1955 that kind of garment "is beginning to sell very well".

It is impossible reasonably to avoid the conclusion that the undergarments in dispute are closely related; that the ordinary customer, having a knowledge of plaintiff's slips and confronted with plaintiff's identical label on defendant's brassieres, is likely to be misled into accepting the latter as originating from the plaintiff despite the fact that there is no direct competition between the parties' wares. Safeway Stores v. Sklar, 75 F. Supp. 98, 103 (E.D. Pa. 1947). The law, New Jersey and Federal, is that such business tactics are unfair and that plaintiff is entitled to be protected against them. National Drying & Machinery Company v. Ackoff, 129 F. Supp. 389, affd. 228 F.2d 349 (3 Cir. 1955), cert. den. 351 U.S. 906 (1956).

Findings of Fact

The second part of the tenth finding of fact reads:

> "* * * and defendant's addition of 'Form' in the accused mark to its prior use of 'Perfect' for brassieres beginning 1932, could not and did not and was not likely to cause confusion or mistake between plaintiff and defendant, or to deceive ultimate purchasers as to the source of origin of defendant's brassieres, or to cause ultimate purchasers to believe that defendant's brassieres were the garments of plaintiff."

This is a conclusion from facts and as Judge Staley said in Sears, Roebuck & Co. v. Johnson, 219 F.2d 590, 591

(3 Cir. 1956): "This court, by examining the basic facts found by the district court, can determine, as advantageously as the district court can, whether or not an inference of likelihood of confusion is warranted." Our conclusion from the basic facts is that likelihood of confusion of the source of origin of defendant's brassieres does exist. The second part of said finding will be set aside.

The fourteenth finding of fact reads:

> "In changing to the accused mark, defendant merely continued the prior business and good will which defendant's predecessor and defendant established for brassieres beginning in 1932."

This is clearly wrong in fact. It will be set aside.

The first of the two #15 findings reads: "Due to the old and common use of 'Form' in brassiere marks and the common display of 'Form' marks in script, the dominant feature of the accused mark is 'Perfect', as to which defendant has priority in the brassiere trade, beginning in 1932. Ultimate customers who have bought and who will buy defendant's brassieres for use have identified said brassieres and will identify them by 'Perfect', as to which defendant has priority." There is no justification in the record for these conclusions. In addition the attempt is made, as with finding #10, to break down the one trade name into two distinct segments and then destroy each segment separately. We find no warrant for such practice. Joseph Schlitz Brewing Company v. Houston Ice & Brewing Company, 250 U.S. 28, 29 (1919). The finding will be set aside.

The second #15 finding reads: "Ultimate customers who buy brassieres for use have not been confused and will not be confused by the script display of one of the forms of the accused mark." The test laid down by the statute and the reported cases cited above is "likelihood of confusion", which we have already pointed out, exists in this litigation.

Finding #18 that "The defendant has not violated any rights of plaintiff" is a conclusion from the facts. It is erroneous. It will be set aside.

Finding #19 reads: "Defendant has not made any unlawful gains, profits or advantages by its use of the accused mark." It is impossible to so conclude at this stage of the proceedings. Defendant has been unfairly competing against plaintiff with the accused mark. And there is sufficient evidence before us to call for an inquiry on whether plaintiff has been damaged thereby and if so in what respects. The finding will be set aside. Finding #20 will be set aside for the same reasons.

If Finding #24 is intended to state the test of unfair competition it is erroneous. The portion of its factual statement that "The use of the accused mark has caused no confusion in the trade * * *" is contrary to the record. It will be set aside.

Conclusions of Law

Conclusion #6 holds that defendant has the right to use the accused trade-mark. It is erroneous and will be set aside.

The second paragraph of conclusion #7 is wrong in law. It will be set aside. A claimed interference arises from an alleged priority in the disputed mark. Defendant never possessed priority in the mark Perfectform. It had a prior use of Perfect which gave it no rights in Perfectform.

Conclusion #8 holds that the unfair competition branch of this suit is governed solely by federal law. As we have already stated, New Jersey and federal law are substantially the same respecting the kind of unfair competition presented in this action. Since therefore this conclusion is not decisional it need not be further discussed.

The portion of conclusion #9 stating that defendant has not competed unfairly with plaintiff or violated any of the latter's rights is erroneous. It will be set aside. The remaining part of the conclusion declaring that defendant has not infringed upon plaintiff's Registration #300,444 brings us to that question which cannot be considered by us at this time because of the state of the record.

In order to sustain the technical trade-mark infringement it alleges, plaintiff must establish a secondary meaning for its descriptive mark, not in the brassiere trade respecting which the district judge held it had no secondary meaning, but in its own slip trade. The court found that plaintiff's trade name was "a very weak mark". He even qualified this by prefixing "If plaintiff's registered mark has any status as a trade-mark or trade-name * * *" Whether the mark is "very weak" or not may or may not be important. In the National Drying decision, supra, the mark "National" was held to be "almost as weak a mark as can be found", but it was upheld both as to infringement and unfair competition. What is important beyond doubt is that in the whole elaborate group of findings of fact and conclusions of law there is not one word attempting to properly void plaintiff's mark.

Plaintiff argues strongly that certain of the findings and inferences therefrom plus the trial evidence of its mark's secondary meaning make it mandatory on us to uphold its claim of technical trade-mark infringement. However, as we have stated, in our view it is necessary to send this phase of the suit back to the district court for decision as to whether plaintiff has sustained its claim in this connection. We therefore will set aside the first part of the 9th conclusion of law that "defendant has not infringed upon plaintiff's Registration #300,444 * * *" since the district court did not pass upon the validity of plaintiff's trade-mark. Under the facts, until that is done there can be no finding as to infringement.

ACCOUNTING

We are not at all sure that an injunction to prevent future use of the name PERFECTFORM or PERFECT FORM in script, block letters or otherwise by the appellee will satisfy the equities of this case. There is evidence of substantial damage and loss of profits to the plaintiff which is attributed to the unlawful use of its trade name by appellee. This demands a thorough inquiry. Cf. Morgenstern Chemical Company, Inc. v. G. Searle & Company, ___ F.2d ___ (3 Cir., Jan. 8, 1958).

The judgment of the district court will be reversed and the cause remanded with the direction that:

1. Under the first count of the complaint appropriate findings be made with respect to plaintiff's registered trademark.

2. Judgment be entered in favor of the plaintiff and against the defendant on the second count of the complaint and that an injunction issue against the defendant-appellee, its agents, servants, employees, successors and assigns, from using plaintiff-appellant's name PERFECTFORM, as one word or two, and from any further acts of unfair competition arising from its unlawful appropriation and use of plaintiff-appellant's trade name PERFECTFORM.

3. An accounting be had to ascertain whether plaintiff has sustained any damage and loss of profits from defendant's unfair competition and if so, in what respects.

4. For such other and further proceedings as are not inconsistent with this opinion.

A true Copy:

Teste:

Clerk of the United States Court of Appeals for the Third Circuit.

FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL JUDGMENT

This cause having come on to be tried by the Court, without a jury, on April 1st, 1957, and the parties having been duly heard, the Court makes its Findings of Fact and Conclusions of Law as follows:

FINDINGS OF FACT.

1. Plaintiff is a New York corporation.

2. Defendant is a New Jersey corporation.

3. Trade-mark Registration No. 500,444 was issued to plaintiff on May 18, 1948, on the Supplemental Register provided in 15 U. S. C. A. 1091 (Lanham Trade-Mark Act of 1946) for the word "Perfectform," displayed in script, for the following articles:

LADIES' SLIPS AND PANTIES, PAJAMAS, NIGHTGOWNS AND BED JACKETS.

Said registration No. 500,444 claims use of said mark beginning June 21, 1944 and also claims the ownership of an earlier Registration No. 419,893 for the same mark which was granted on March 5, 1946 under the Trade-Mark Act of March 19, 1920.

4. Plaintiff always has been and ... is the owner of said Registration No. 500,444.

5. Prior to the date of filing of the complaint herein on July 18, 1955, and within the period of six years prior to said filing date, the defendant has, without plaintiff's consent, sold and offered for sale and advertised certain brassieres in interstate commerce, with the use of the ac-

cused mark "Perfect Form" displayed as one word and as two words, in various forms of display, including script display. Many of defendant's forms of display of the accused mark have no resemblance to the script display of plaintiff's Registration No. 500,444.

6. Defendant was organized in 1936 under the above-mentioned corporate name.

7. A New York corporation was organized in 1932 under defendant's above-mentioned corporate name. Beginning in 1932, said New York corporation continuously and extensively and nationally sold and advertised brassieres in interstate commerce, with the use of "Perfect" and "Perfect Bra" in several forms of display, including script display.

8. When defendant was organized in 1936, it became the successor to the business of said New York corporation, including all of its assets and good will.

9. Beginning in 1936, defendant continuously and extensively and nationally sold and advertised brassieres in interstate commerce, with the use of "Perfect" and "Perfect Bra" in various forms of display, including script display, until defendant added "Form".

10. Prior to the time that defendant added "form" and prior to plaintiff's earliest claimed date, and at all times after plaintiff's earliest claimed date the word "Form" always has been and is descriptive and common to the brassiere trade and always has been and is incapable of designating the source of origin of brassieres; and defendant's addition of "Form" in the accused mark to its prior use of "Perfect" for brassieres beginning in 1932, could not and did not and was not likely to cause confusion or mistake between plaintiff and defendant, or to deceive ultimate

purchasers as to the source of origin of defendant's brassieres, or to cause ultimate purchasers to believe that defendant's brassieres were the garments of plaintiff.

11. Prior to the grant of plaintiff's said earlier registration on March 5, 1946, the U. S. Patent Office granted certain now-existing registrations to third parties for brassieres as follows:

Number	*Date*	*Mark*
88,306	Sept. 10, 1912	"JUNOFORM"
186,657	July 22, 1924	"True Form" displayed in script
192,834	Dec. 9, 1924	"Maiden Form" displayed in script
264,025	Nov. 12, 1929	"Beautiform" displayed as one word in script
345,880	May 11, 1937	Belle-Form
362,564	Nov. 22, 1938	"Tidyform" displayed as one word in script
393,728	Dec. 24, 1940	"Aero-Form"
394,502	Apr. 7, 1942	"Ladyform" displayed as one word in script
407,425	May 16, 1944	"Styleform" displayed as one word in script
409,442	Oct. 3, 1944	"Formfit"

12. After plaintiff secured the said earlier registration on March 5, 1946, the U. S. Patent Office granted certain now-existing registrations to third parties for brassieres as follows:

Number	*Date*	*Mark*
420,523	Apr. 16, 1946	"Youthform" displayed as one word in script
435,390	Dec. 23, 1947	"Delightform" displayed as one word in script

Number	*Date*	*Mark*
507,470	Mar. 8, 1949	"Natural Form" displayed in script
519,902	Jan. 17, 1950	"Circu-form" displayed in script
521,097	Feb. 21, 1950	"Neatform" displayed as one word in script
522,155	Mar. 14, 1950	"Mold Form"
527,654	July 18, 1950	"Ultra-Form"
547,558	Sept 4, 1951	"Maidenform" displayed as one word in script
592,771	July 20, 1954	"Exquisite Form" displayed in script
594,276	Aug. 24, 1954	"Hid N' Form"
595,621	Sept. 21, 1954	"Nestlé Form"
632,735	Aug. 14, 1956	"HI-TIME by Rite Form" with "Rite Form" displayed in script

13. Several of the "Form" marks for brassieres mentioned in Findings Nos. 11 and 12, including the script "Form" marks, have been extensively used and advertised, beginning prior to the time that defendant adopted the accused mark.

14. In changing to the accused mark, defendant merely continued the prior business and good will which defendant's predecessor and defendant established for brassieres beginning in 1932.

15. Due to the old and common use of "Form" in brassiere marks and the common display of "Form" marks in script, the dominant feature of the accused mark is "Perfect", as to which defendant has priority in the brassiere trade, beginning in 1932. Ultimate customers who have bought and who will buy defendant's brassieres for use

have identified said brassieres and will identify them by "Perfect", as to which defendant has priority.

15. Ultimate customers who buy brassieres for use have not been confused and will not be confused by the script display of one of the forms of the accused mark.

16. Beginning at least as far back as 1932, the brassiere trade has been and is a distinct and special trade entirely different from the trade of making and selling the garments mentioned in plaintiff's registration.

17. Plaintiff has never had any business or goodwill in the brassiere trade or to ultimate purchasers of brassieres and its mark has never had any secondary meaning in the brassiere trade or to ultimate purchasers of brassieres.

18. The defendant has not violated any rights of plaintiff.

19. Defendant has not made any unlawful gains, profits or advantages by its use of the accused mark.

20. Defendant has not damaged or injured plaintiff.

21. The parties are not competitive, and brassieres are not competitive with the goods which plaintiff has sold.

22. The defendant has never attempted to palm-off its product as that of plaintiff.

23. Defendant has never diverted any of plaintiff's customers.

24. The use of the accused mark has caused no confusion in the trade and the purchasing public has not been misled

into believing that the plaintiff is the source of origin of defendant's brassieres.

25. Defendant's brassieres are low or modestly priced and sold almost exclusively in variety stores or what was called 5 & 10 cent stores. Plaintiff's products are exclusive or prestige items and sold in better department stores, specialty shops, and lingerie shops.

CONCLUSIONS OF LAW.

1. The Court has jurisdiction over the parties and this action.

2. Under 15 U. S. C. A. 1094, certain provisions of the Lanham Trade-Mark Act of 1946 do not apply to plaintiff's Supplemental Register registration.

3. The provisions of 15 U. S. C. A. 1057(b) do not apply to a Supplemental Register registration wherefore plaintiff's registration is not prima facie evidence of the validity of its registration, or of plaintiff's ownership of the registered mark, or of plaintiff's exclusive right to use said registered mark in connection with the goods specified in plaintiff's registration.

4. If plaintiff's registered mark has any status as a trade-mark or trade-name, it is a very weak mark.

5. The scope of plaintiff's registration and good-will must be and is restricted to the goods which plaintiff has sold, which excludes brassieres.

6. By reason of defendant's prior use of "perfect", defendant had the right at any time, to add the featureless and descriptive word "Form", which has been and is com-

mon to the brassiere trade, and to use the common and featureless script display.

7. Under 15 U. S. C. A. 1094, plaintiff's Supplemental Register certificate is not governed by 15 U. S. C. A. 1066, which provides for an interference in the U. S. Patent Office between a registration and an application for registration in the U. S. Patent Office in certain cases.

Hence the refusal of the U. S. Patent Office to register the accused mark to defendant has no effect in this litigation, because defendant was debarred by the current Lanham Trade-Mark Act from demanding an interference, in order to establish defendant's twelve years' priority in "Perfect" for brassieres.

8. Since plaintiff alleges jurisdiction solely under the Lanham Act of 1946, without alleging that the matter in controversy exceeds the sum or value of $3,000.00, exclusive of interest and costs, the plaintiff's claim of unfair competition is governed wholly by Federal Law.

9. Since defendant has not infringed upon plaintiff's Registration No. 500,444 and defendant has not competed unfairly with plaintiff or violated any of plaintiff's rights, defendant is entitled to final judgment dismissing the complaint with the costs and disbursements of this action and it is ordered.

Dated May 9, 1957.

A. E. MODARELLI,
United States District Judge.